

## Medicaid Estate Recovery Frequently Asked Questions

### Medicaid Estate Recovery Program

Medicaid is a government program that pays for health care services. Some of these services are for people as they grow older. Medicaid pays for services that help people stay in their own home. It also pays for people to move to a facility, such as a nursing home, if that is what they need.

To help pay for these long-term care services, every state must have a Medicaid estate recovery program. If a person receives long-term care services paid for by Medicaid, the State of Michigan has the right to ask for some money back from the estate **after** he or she dies. In some cases, the state may not ask for anything back. The state will never ask for more money back than it paid for the services.

### What is an estate?

An estate is property, such as money, a house or other things of value that a person leaves to family members or others (heirs) when he or she dies. Estate recovery does not apply to all property that a person may own. Estate recovery only applies to those assets that are subject to probate court administration.

### Who does estate recovery affect?

Estate recovery applies to individuals receiving Medicaid benefits who are 55 years of age or older or individuals who are of any age and permanently institutionalized.

Individuals receiving the following services or programs could be subject to estate recovery:

- Nursing Facility Care (nursing homes)
- Other
- The following Medicaid Waiver Programs:
  - Other
  - Other

### Are there any times when the Michigan Department of Community Health will not try to recover from my estate?

Yes, the MDCH will not ask for money back after a recipient dies while one of the following persons is residing in the home:

- A spouse.
- A child under 21 years of age.

- A child of any age who is blind or permanently and totally disabled.
- A caretaker relative who was residing in the home and providing care for a period of at least 2 years immediately before the date of the recipient's admission to a medical institution, and that caretaker relative's care allowed the recipient to live at home rather than in an institution.
- A sibling who has an equity interest in the home who was residing in the home for a period of at least 1 year immediately before the recipient's admission to a medical institution.

### If none of the above situations apply, does that mean the Michigan Department of Community Health will file a claim against my probate estate?

If none of the five situations above apply, then MDCH may file a claim against the probate estate of the Medicaid recipient unless:

- The cost of recovery efforts would exceed the amount expected to be recovered; or
- It is determined that estate recovery would result in an undue hardship.

### For estate recovery purposes, what situations would result in an undue hardship?

After an undue hardship application is filed, MDCH may grant a hardship waiver when:

- The estate property is the sole income producing asset of the beneficiaries, such as a family business or farm and the income produced by the asset is limited;
- The estate property is a home of modest value; or
- Recovery from a recipient's estate would cause a caretaker relative to become or remain eligible for Medicaid.

### How do I apply for an undue hardship waiver?

To receive a waiver based on an undue hardship, the applicant must request, complete, and submit an application and provide proof of the hardship. An application may be obtained at [www.michigan.gov/estater recovery](http://www.michigan.gov/estater recovery) or by calling the toll-free number listed below.

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### **How does estate recovery work?**

When the recipient dies, the Michigan Department of Community Health will send a notice to the estate representative or a family member to tell them that MDCH intends to file a Medicaid estate recovery claim against the recipient's estate. That notice will include an estate questionnaire form that is to be completed so that MDCH can determine whether it should file a claim. This notice will also provide information on how to request an undue hardship waiver application. If no exemptions or hardships apply, MDCH will prepare a claim for filing against the estate in probate court. If the estate has debts such as funeral costs, certain legal costs, or a home mortgage, those costs are paid first before Medicaid is paid.

### **How can I get more information about the Medicaid estate recovery claiming process?**

If you need more detailed information on how this will work, or if you have a specific question, you may send an e-mail to [miestatererecovery@hms.com](mailto:miestatererecovery@hms.com) or call our toll-free number at (877) 791-0435.

This line is answered from 9:00 a.m. through 5:00 p.m. (EST), Monday through Friday, except on official State of Michigan holidays.